

"Hotel" is define in the Hotel Operators' Occupation Tax Act as any building or buildings in which the public may, for a consideration, obtain living quarters, sleeping or housekeeping accommodations. See the enclosed copy of 86 Ill. Adm. Code 480.101 et seq. (This is a GIL).

April 23, 1999

Dear Mr. Xxxxx:

This letter is in response to your letter dated March 4, 1999. The nature of your letter and the information you have provided require that we respond with a General Information Letter, which is designed to provide general information, is not a statement of Department policy and is not binding on the Department. See 86 Ill. Adm. Code 1200.120(b) and (c), enclosed.

In your letter, you have stated and made inquiry as follows:

I am writing to request information on your state's hotel/motel, accommodation, and/or lodging tax. In particular, I would like to obtain the following information:

What businesses are required to collect this tax (and conversely, which lodging businesses are not required to collect it)?

What is the amount of your state's hotel/motel, accommodation, and/or lodging tax?

How are the revenues from your state's hotel/motel, accommodation, and/or lodging tax distributed and to what agencies/organizations.

Please direct how I may find a copy of the appropriate legislation or policy which authorizes this tax in your state.

The name and phone number of a contact person to whom I can direct any additional inquiries.

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Thank you for your time and assistance with this request.

Under the Hotel Operators' Occupation Tax Act, 35 ILCS 145/1 et seq. (1996 State Bar Edition), a tax is imposed upon persons engaged in the business of renting, leasing or letting rooms in a hotel at the rate of 5% of 94% of the gross rental receipts from such renting, leasing or letting, excluding, however, from gross rental receipts, the proceeds of such renting, leasing or letting to permanent residents of that hotel. See the attached copy of 86 Ill. Adm. Code 480.101. The revenue received from this tax is deposited into the Build Illinois Fund, Illinois Sport Facilities Fund, and the Local Tourism Fund. See 35 ILCS

145/6. You may wish to contact the Illinois Department of Commerce and Community Affairs, 620 E. Adams, Springfield, Illinois, 62701 for information about how these funds are distributed.

"Hotel" is defined in the Hotel Operators' Occupation Tax Act as any building or buildings in which the public may, for a consideration, obtain living quarters, sleeping or housekeeping accommodations. The term includes inns, motels, tourist homes or courts, lodging houses, rooming houses and apartment houses. See 86 Ill. Adm. Code 480.105, attached. Hotel operators are required to register with the Department, file returns, and remit hotel operators' tax. See 86 Ill. Adm. Code 480.110, attached.

Generally, buildings in which the public may not, for a consideration, obtain living quarters, sleeping or housekeeping accommodations are not considered hotels. Therefore, the renting, leasing or letting of rooms in such buildings would not be subject to tax under the Hotel Operators' Occupation Tax Act, and such persons renting, leasing or letting such rooms would not be required to register under the Hotel Operators' Occupation Tax Act.

I hope this information is helpful. The Department of Revenue maintains a Web site, which can be accessed at www.revenue.state.il.us. If you have further questions related to the Illinois sales tax laws, please contact the Department's Taxpayer Information Division at (217) 782-3336.

If you are not under audit and you wish to obtain a binding Private Letter Ruling regarding your factual situation, please submit all of the information set out in items 1 through 8 of the enclosed copy of Section 1200.110(b).

Very truly yours,

Terry D. Charlton
Associate Counsel

TDC:msk
Enc.